

Small Business Regulatory Fairness Board

Small Business Impact Statement

Date: February 16, 2016

Rule Number: 6 CSR 10-5.010 Rules for Certification of Proprietary Schools

Name of Agency Preparing Statement: Dept of Higher Education

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Please describe the methods your agency considered or used to reduce the impact on small businesses (*examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique*).

The primary impact of the changes will be a consolidation of the review, approval, and reporting of certain small programs and courses into a single category. Although an annual fee will be charged for schools opting to consolidate, it is anticipated schools will realize a net cost savings as each program or course will no longer be submitted along with individual review fees for each.

The proposed rule also defines and clarifies the exemption criteria related to test preparation programs.

Please explain how your agency has involved small businesses in the development of the proposed rule.

Small businesses (schools) had multiple opportunities to provide input during the development of the proposed rule changes through electronic communication, hard copy information, and face-to-face meetings. Since September 2013, the Department met several times each year with representatives of certified school to review of program's administrative rules. On December 7, 2015, the Department sent a letter to each certified school requesting review and feedback of proposed changes. Additionally, the Department posted the proposed rules and a feedback form on the Department website. On January 29, 2016, Department staff briefed schools attending the annual recertification workshop on the proposed rules and advised of the rule making process and additional opportunities to provide feedback. Finally, Department staff presented the

proposed rules at the February 4, 2016, meeting of the Coordinating Board for Higher Education and invited feedback.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

The Department does not anticipate a net monetary gain or loss in conjunction with the proposed rules. Schools currently submit new programs or courses for review and are charged a fee for each. The proposed rule would charge a single annual fee for all courses and programs meeting the continuing education criteria specified in the proposed rule.

The Department does not anticipate a net monetary gain or loss in conjunction with the test preparation language. Test preparation programs are typically exempt from certification standards. The proposed rule clarifies the threshold when test preparation programs are offered or advertised a offering postsecondary credit, which would require the school to seek certification.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Schools that meet the definition of a small business are typically for-profit sole proprietorships or LLCs offering certificate programs that often may be completed in less than one year. These may include schools that train allied health professionals, dog groomers, commercial truck drivers, and computer or office support personnel. Such schools may see a benefit in the increased flexibility the rule provides for implementing and reporting small continuing education programs.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

This proposed rule establishes the following annual fees (direct costs):

- Continuing education (up to fifteen programs) \$100
- Continuing education (more than fifteen programs) \$500

Only those schools choosing to offer continuing education programs as defined in the proposed rule are subject to the new fees. However, as noted previously, schools currently must submit each course or program individually for review along with its established review fee.

Indirect costs are expected to be minimal or may even result in a cost savings as the general process by which schools seek approval to offer new programs will not change.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

Schools certified to operate in Missouri or are certified to recruit in Missouri may be affected by the proposed rule if they choose to offer continuing education as defined by the rule.

Test preparation organizations will have a clear exemption category within the rules provided they do not offer or advertise as offering postsecondary credit.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No__X

If yes, please explain the reason for imposing a more stringent standard.

N/A

For further guidance in the completion of this statement, please see §536.300, RSMo.